CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

ORIGINAL

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February 13, 2003

Honorable Michael K. Powell
Chairman
Federal Communications Commission
Office of the Chairman
445 12th Street, S.W.
Washington, D.C. 20554

Re: Ex Parte Comments regarding CC Docket No. 01-338; Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers

Dear Chairman Powell:

These comments are filed on behalf of the U.S. Chamber of Commerce ("U.S. Chamber"), the world's largest business federation, representing more than three million businesses of every size, sector, and region. The U.S. Chamber is pleased to have this opportunity to provide comments on the Federal Communications Commission's Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, commonly referred to as the "Triennial Review".

On November 13, 2002, the U.S. Chamber Board of Directors unanimously adopted a national broadband policy, which addresses many of the issues involved in the Triennial Review. A copy of the policy language is attached. The goal of this policy is to maximize competition among broadband providers to ensure more choices for consumers and businesses.

The U.S. Chamber appreciates the opportunity to submit these comments and thanks the Commission for considering the views of the U.S. business community on this most important subject.

Sincerely,

R. Bruce Josten

Attachment

cc: Commissioner Kathleen Q. Abernathy
Commissioner Michael J. Copps
Commissioner Kevin J. Martin
Commissioner Jonathan S. Adelstein

U.S. CHAMBER OF COMMERCE NATIONAL BROADBAND POLICY

Broadband applications and services have the power to transform the American economy by spurring investment and innovation in e-commerce, education, healthcare, communications, entertainment, government, and almost every other activity of the nation's economy. The potential economic benefit after the widespread deployment of broadband Internet access and applications is $500 billion annually. In particular, broadband will dramatically increase the efficiency and productivity of the nation's businesses, both large and small. The increases to quality of life will be immeasurable. Many of the future advanced applications will need more advanced forms ofnetworks, as well as enhancements in devices and applications.

Moreover, the future deployment of broadband technology and services can provide benefits in terms of medicine, education, our work environment, increased productivity and global leadership in the development of technology and the applications of that technology to the entire world economy. This nation's position as a leader in technology and innovation depends upon the establishment of a clearly dcfincd vision coupled with a commitment, both publicly and privately, to invest in future infrastructure and applications of these technologies through providing competitive choices, useable and useful broadband-enabled applications, and broadening awareness of the benetits, to society, to the economy, and to thc users.

I. Broadband Communications

True broadband must be defined in terms of high-speed broadband, which is a type of communications technology platform that is "always on" and that is capable of supporting the aggregate bandwidth required for simultaneous high-speed bi-directional transfer of all forms of information. Any such service must be able to maintain a high level of reliability, system integrity, network security, and should include both wireline and wireless, including satellite and terrestrial, options.

II. Demand and Supply for Products and Services

There should be a concerted effort between government and business to promote awareness of broadband products, applications, and services and to support the development of advanced applications, including the establishment and support of collaborative pilot programs, exhibitions, and related research. Investment incentives can be an effective tool to spur broadband deployment. Government should develop a targeted strategy to encourage investment and availability of broadband services and applications.

III. Regulation of Broadband Services

When a marketplace is governed effectively by market dynamics, the government should seek to minimize regulatory burdens, Any policy guideposts established by the government should ultimately seek to empower customers, not regulators. Accordingly, the federal government should seek regulatory predictability and panty, and should refrain, to the maximum extent possible, from regulating broadband services so as to provide certainty in the market place, and foster investment in broadband technology and infrastructure. Federal regulation should preempt state regulation of broadband rates, services, and infrastructure. Laws and regulations should be technology-neutral, promoting facilities-based competition.

IV. National Security

It is essential to Homeland Security that broadband communication services are available to security agencies as well as citizens throughout the country. The federal government should, both in its policies and as a user, support redundancy, technology diversity, and reliability in the broadband infrastructure in order to ensure the integrity of the communications network during times of crisis or intense network usage.

V. Spectrum Allocation and Management

The federal government must develop a comprehensive, unified, national spectrum management strategy designed to reduce the artificial scarcity of spectrum, enhancing the availability and flexibility in licensing and the allocation of spectrum, while supporting international free trade agreements and access to international markets. Such a system should rely on market forces to determine the most efficient and effective uses for commercial spectrum, while providing for other uses of spectrum in the public interest.

VI. Broadband Rights-of-way and Siting Procedures

The federal government should support at the federal, state and local levels prompt, cost-based and non-discriminatory processes and decisions on zoning and rights-of-way, the terms and conditions for which are related solely to management of the right-of-way or site.

VII. Global Standards

The United States must continue to be a leader in the international market for competitive, liberalized telecommunication services through continued leadership in the WTO and other organizations. This leadership is essential to ensure further market access and opportunity to U.S. industry. The U.S. should work with other countries to develop and establish compatible, market-based regulations and standards that facilitate the inter-operability and portability of such technologies throughout the world.

VI Supporting Advanced Applications

Information, applications, and content exchanged between business and customers, business and government, and government and the public should be migrated to web-based services, to the maximum extent possible. To promote this migration, these entities should utilize new applications where appropriate, while respecting the need to support certain existing legacy-based applications.

IX. Intellectual Property

In order to advance the use of this capacity for distribution of content, and to provide citizens with the ability to obtain and use a wide array of information, participants should promote the protection of intellectual property, In order to accelerate the rollout of broadband applications, protecting intellectual property and the fair use by citizens must be kept in balance. Strong intellectual property laws should also exist internationally to protect products and information and to promote global competition.

X. Universal Service

Government mandates to deploy broadband in underserved, high cost areas of the country should be funded either from general appropriations or by incentives to industry to provide services to these populations. The present universal service mandates, which are user taxes, should not be extended to broadband services.